Amendment dated September 15, 2006 Reply to Office Action of March 15, 2006

REMARKS

Applicant has canceled claims 1-5 and 10 and replaced them with claims 11-16. These claims correspond on a one-to-one basis with the claims that were canceled. However, former claim 5 which was dependent on claim 1 is now new claim 13 to be in proper order.

Claim 1 has been amended to include additional structure including first and second housing ports located on opposite sides of the eccentricity axis and first and second commutation ports formed on opposite sides of the floating ring such that the first and second commutation ports are symmetrically located on either side of the eccentricity axis and the first and second ports located on opposite sides of the preferred eccentricity axis, wherein radial face slots are provided in at least one face of the outer rotor for fluidly coupling fluid with the N + 1 approximately circularly shaped grooves of the outer rotor respectively with first and second fluid commutation ports formed on opposite sides of the floating ring in a corresponding face or faces of the floating ring, further wherein the floating ring and the internal pump cavity have slidingly engaging floating ring and housing guide features for locating the floating ring such that the center of the floating ring bore is laterally located along the preferred eccentricity axis and the floating ring is oriented in the roll direction such that the first and second fluid commutation ports are symmetrically located on either side of the preferred eccentricity axis, and still further wherein the first and second housing ports are located and formed within the housing in such a manner that first and second housing ports respectively fluidly communicate with the first and second fluid commutation ports. This structure is not taught, disclosed or suggested by the prior art references including Brundage.

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New claim 12 replaces claim 2 and includes means for forcibly positioning the outer rotor

along the eccentricity axis.

New claim 13 replaces previous claim 5 and includes additional structure related to

selectively coupling the fluid from the higher pressured valve of the first and second housing

ports.

New claim 14 replaces claim 3 and includes all the limitations of original claim 1. Since

the Examiner indicated original claim 3 was allowable, it is respectfully submitted that claim 14

is allowable.

Claim 15 replaces original claim 4 and now requires that the center of the floating ring

bore is laterally located along the eccentricity axis.

New claim 16 replaces former claim 10 and now requires coupling the higher pressure

from the first and second housing ports to select the periphery of the floating ring, selectively

coupling the lower pressure value from the first and second housing ports to a portion of the

floating ring juxtaposition to the gerotors sets out of mesh position and hydrostatically coupling

those pressure values to selected portions of the space between the floating ring and the outer

rotor whereby the outer rotor is proportionally positioned against the inner rotor of the gerotor's

sets in this mesh position.

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It is respectfully submitted that this feature is not taught, disclosed or suggested by Brundage or any of the prior art references. Accordingly, Applicant respectfully submits that the claims of the application are now in condition for allowance. If the Examiner has any further questions, Applicant's attorney may be reached at (248) 647-6000.

Dated: September 15, 2006 Respectfully submitted,

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